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## Agenda Item 3d

June 13, 2011

### TO: MEMBERS OF THE RISK MANAGEMENT COMMITTEE

- I. **SUBJECT:** Stakeholder Relations Assessment Program
- II. **PROGRAM:** External Affairs Branch  
Office of Enterprise Risk Management
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

This report will be presented orally. This report is an update on the Stakeholder Relations Assessment Program.

#### Program Background

In recent years, CalPERS reputation has incurred harm due to ethical failures of former officials and portfolio performance problems. Especially in the current political and economic environment, effective working relationships with our key stakeholders are essential. There is currently no systematic and consistent process for gathering information regarding stakeholder relations.

The 2010-11 Business Plan includes an objective requiring that staff "enhance consistent, collaborative communication and engagement with stakeholders." This includes developing a reputational risk assessment scorecard baseline. This assessment was undertaken as a first step in improving stakeholder relations by understanding what is important to our stakeholders in order to rebuild effective working relationships with those who matter most.

In the first phase of the program, interviews were conducted with more than 30 senior executives and all current Board members (or their representatives) to obtain their 'Inside: Out' perspective. The following stakeholder relations objectives were identified as a result.

#### CalPERS should be

- Respected for financial soundness
- Admired for customer service and quality of operations

- Trusted by regulators and legislators
- Committed to effective retirement and health care solutions for members and employers
- Respected as an honest broker of information and where appropriate, an effective policy advocate
- Admired as a destination employer
- Respected for ethical, energetic and 'felt' leadership
- Recognized as engaged with and responsive to stakeholders
- Respected for honoring our core values

Phase two is the outreach phase to assess the extent to which CalPERS is achieving these stakeholder relations objectives. During phase two traditional media, social media, and online blogs were analyzed. Additionally, surveys and interviews were conducted with our key stakeholders to capture how well CalPERS is viewed in relation to the identified stakeholder relations objectives above. Data has been collected and is being analyzed.

These findings will provide a baseline measure of CalPERS current stakeholder relations, identify priority improvement opportunities, and become the basis for a proactive, comprehensive stakeholder relations program.

## **V. STRATEGIC PLAN:**

II. Foster a work environment that values quality, respect, diversity, integrity, openness, communication and accountability.

IV. Design and develop education and communication initiatives to ensure broad member and stakeholder understanding of CalPERS' value.

## **VI. RESULTS/COSTS:**

This assessment will provide a baseline measure of CalPERS current stakeholder relations, identify priority improvement opportunities, and become the basis for a proactive, comprehensive stakeholder relations program.

Members of the Risk Management Committee  
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